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[Proposed] Counsel to Bradley D. Sharp,
Chapter 11 Trustee

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
LOS ANGELES DIVISION

In re:

LESLIE KLEIN,

Debtor.

Case No.: 2:23-bk-10990-SK

Chapter 11

**DECLARATION OF BRADLEY D. SHARP IN
SUPPORT OF REPLY TO UNITED STATES
TRUSTEE'S OPPOSITION TO CHAPTER 11
TRUSTEE'S APPLICATION TO EMPLOY
PACHULSKI STANG ZIEHL & JONES LLP
AS GENERAL BANKRUPTCY COUNSEL
EFFECTIVE MAY 23, 2023**

[Relates to Docket Nos 177, 185 and 229]

Date: August 9, 2023
Time: 9:00 a.m.
Courtroom: 1575
Location: 255 E. Temple Street
Los Angeles, CA 90012
Judge: Hon. Sandra R. Klein

I, Bradley D. Sharp, declare and state as follows:

1. I am the duly appointed, authorized and acting chapter 11 trustee of the estate of
Leslie Klein, the debtor herein (the "Debtor").

2. I make this declaration in support of my reply to the United States Trustee's (the
"UST") opposition (the "Opposition") [Docket No. 185] to the Chapter 11 Trustee's Application to

1 Employ Pachulski Stang Ziehl & Jones LLP as General Bankruptcy Counsel Effective May 23, 2023
2 (the “Application”) [Docket No. 177].

3 3. This case has already proved to be difficult and complex. I am administering an
4 estate with an uncooperative Debtor, who (a) is a lawyer that owns his own law firm (with an
5 IOLTA account that might have been used personally), (b) owns numerous real properties (in
6 California and internationally), at least one of which was transferred in exchange for no apparent
7 consideration, and (c) owns or has an interest in numerous different companies that invest in life
8 insurance policies and other properties where the Debtor sits as a trustee over the policies that are
9 subject to complex and protracted litigation. I was appointed approximately two months ago and my
10 team and I have only scratched the surface of the Debtor’s complicated and convoluted portfolios of
11 assets and liabilities, not to mention just begun to disentangle the back-and-forth allegations made by
12 various claimants. I require experienced counsel that can advise me through the complex maze the
13 Debtor has created.

14 4. It is my understanding that Mr. Rechnitz and the Debtor co-own Life Capital Group,
15 LLC (“LCG”). Prior to the petition date, the Debtor commenced an action against Mr. Rechnitz,
16 individually and as a member of LCG. However, that action was dismissed as the dispute was sent
17 to binding arbitration. In light of the automatic stay, the arbitration action is currently stayed. I now
18 control the Debtor’s interest in the action. It is entirely unclear whether or not I will need to take
19 adverse action with respect to Mr. Rechnitz or LCG. Until that time arrives, it is premature to make
20 a determination now concerning whether PSZJ should be precluded from representing me on matters
21 related to Mr. Rechnitz as PSZJ’s technical representation might have concluded at that point,
22 thereby clearing up any disputed issue over whether PSZJ can be adverse to Mr. Rechnitz.

23 5. I must complete my investigation before I can determine whether to take adverse
24 action against Mr. Rechnitz or LCG. My investigation of LCG and Mr. Rechnitz (and using PSZJ to
25 conduct that investigation) is hardly an adverse action. If I determine that some type of formally
26 adverse action must be taken against Mr. Rechnitz, I might decide to engage contingency counsel (as
27 this currently unknown matter might require specialized non-bankruptcy expertise) or PSZJ’s current
28 administrative representation of Mr. Rechnitz will have concluded thereby eliminating any question

as to whether PSZJ can be adverse to Mr. Rehnitz.

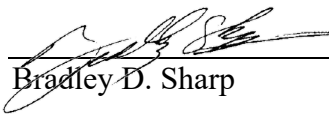
6. I determined that the facts and circumstances of this case require sophisticated counsel that has experience advising trustees who have administered the bankruptcy estates of individuals or corporations that are subject to allegations of accounting irregularities and fraud.

7. I selected PSZJ after considering other options and with full knowledge of the rates that PSZJ would charge. I discussed my proposed selection of counsel with the UST's counsel prior to my selection of PSZJ.

8. I am saddled with the difficult task of administering an estate that was troubled from the petition date that apparently arises from years of protracted litigation with certain counterparties disputing the Debtor's role as a trustee of various life insurance policies. I determined that I need sophisticated counsel who can advise me on both the day-to-day matters that will arise in this case to the complex and esoteric matters that will require experience, innovation, and a proven track record to reach the goals of and fulfill the fiduciary duties of the Trustee.

9. I declare under penalty of perjury that, to the best of my knowledge, the foregoing is true and correct.

Executed this 1st day of August, 2023, at Long Beach Township, New Jersey.


Bradley D. Sharp

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
10100 Santa Monica Boulevard, 13th Floor, Los Angeles, California 90067

A true and correct copy of the foregoing document entitled (*specify*): **DECLARATION OF BRADLEY D. SHARP IN SUPPORT OF REPLY TO UNITED STATES TRUSTEE'S OPPOSITION TO CHAPTER 11 TRUSTEE'S APPLICATION TO EMPLOY PACHULSKI STANG ZIEHL & JONES LLP AS GENERAL BANKRUPTCY COUNSEL EFFECTIVE MAY 23, 2023** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) **August 1, 2023**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On (*date*) **August 1, 2023**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☒ Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) _____, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

August 1, 2023
Date

Nancy H. Brown
Printed Name

/s/ Nancy H. Brown
Signature

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):

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2. SERVED BY UNITED STATES MAIL:

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This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.